

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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February 10, 2004

**FROM: THOMAS R LAURIN, DIRECTOR
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**SUBJECT: RESOLUTION TO APPROVE SUBMISSION OF GRANT APPLICATION TO THE
UNITED STATES DEPARTMENT OF AGRICULTURE FOREST SERVICE FOR
SOUTHERN CALIFORNIA DROUGHT ASSISTANCE FUNDS – RURAL
DEVELOPMENT PROGRAM**

RECOMMENDATION:

- 1) Adopt resolution authorizing submittal of a grant application in the amount of \$3,357,240 to the United States Department of Agriculture (USDA) Forest Service for Southern California Drought Assistance Funds – Rural Development Program to be used to facilitate the processing, marketing, and utilization of the wood biomass material resulting from fuels reduction activities in the drought stricken San Bernardino County Mountain areas.
- 2) Authorize the Director of Department of Economic and Community Development (ECD) to represent the County of San Bernardino in negotiations of the grant agreement, and to execute and submit all documents related to grant submission.

BACKGROUND INFORMATION: In November 2003, the USDA Forest Service received \$5,700,000 of a \$20,000,000 Congressional appropriation introduced by Congressman Jerry Lewis to facilitate the processing, marketing, and utilization of timber felled through fuel reduction programs concentrating on dead and dying Bark Beetle infected trees in the drought stricken mountain areas of San Bernardino, Riverside, and San Diego Counties. San Bernardino County is applying for \$3,357,240 of the \$5.7 million grant which represents 58.9% of the funds available. This percentage was derived from a formula which included an average of each county's percent of State local forest acres, the percent of federal local forest acres within each County, and the percent of permanent population and improved properties in each County's forest area.

The primary purpose of the funding is to assist in facilitating the processing, marketing, and utilization of timber resulting from fuels reduction activities. Activities funded should ultimately add value and increase the economic use of the removed trees concentrating on existing and proven technologies that result in timely movement of materials from fire hazard areas.

This application is being submitted simultaneously with County Consolidated Fire District's application for grant funding under the USDA Forest Service Southern California Drought Assistance State Fire Assistance Grant Program.

Record of Action of the Board of Supervisors

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The attached application adheres to the guidelines and directions distributed by the U.S. Forest Service and contains projects and programs that comply with the eligible uses portion of that document. Funds cannot be used to construct buildings or to fund fuel reduction programs. Cooperative public/private projects that leverage other funds to achieve hazard reduction are encouraged.

The County of San Bernardino's Department of Economic and Community Development will be the lead agency for this grant program and requests that its Director is the appointed agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, award letters, agreements, and payment requests, which may be necessary for the completion of the aforementioned project.

This application and funding priorities were developed in coordination with the San Bernardino County Sub-Group on Tree Mortality Grants and proposes a program that concentrates a majority of the funding to capitalize a revolving fund to lend and grant funds to private and public enterprises involved in the processing of the wood being removed from the Mountain Communities. Funded activities would include but not be limited to log sorting yards, sawmills, co-generation plants, related machinery and equipment, and production of value-added wood products. A loan review group composed of members of the County Sub-Group on Tree Mortality Grants will recommend eligible projects for Board of Supervisor's consideration and approval on a project by project basis. Factors taken into consideration for funding recommendations include credit-worthiness, ability to implement the project, experience of the project proponents, timeliness in implementing the process and quantity of trees removed from fire hazard areas.

The deadline for grant submittal is February 17, 2004 with an anticipated award date of April 15, 2004. If the grant is awarded ECD will bring an item to the Board to accept the grant and approve the grant agreement.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed and approved by Deputy County Counsel, Michelle D. Blakemore (909-388-5455) on February 3, 2004, and the County Administrative Office, Patricia M. Cole, Administrative Analyst III (909-387-5346) on February 3, 2004.

FINANCIAL IMPACT: The grant covers all personnel, equipment costs, training, and planning/administrative costs. There is no match required from the County and the interest generated from any loans made from these grant funds shall be reinvested in the program.

SUPERVISORIAL DISTRICTS: 1st, 2nd, and 3rd.

PRESENTER: Thomas R. Laurin, Director, 388-0808.

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